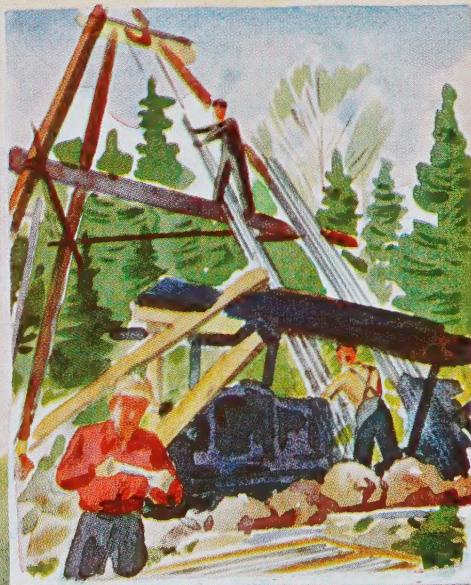


AR12

ANNUAL REPORT



The Mineral Exploration Corporation
LIMITED

(NO PERSONAL LIABILITY)

Reports of Operations and Balance Sheet
For the year ending September 30th, 1955



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BOARD OF DIRECTORS AND OFFICERS

President and Director - - -	NORMAN VINCENT
Vice-President and Director - - -	ARTHUR W. WHITE
General Manager and Director -	W. ROY DUNBAR, B.A.Sc., P.Eng.
Secretary-Treasurer - - -	VERNON FRANKLIN BOWMAN, C.P.A.
Director - - - - -	CHARLES R. DIEBOLD
Director - - - - -	JAMES A. GARDNER
Director - - - - -	CECIL H. SUMMERFELDT, D.D.S.
Director - - - - -	LEON I. ROSS

Report of the President

To the Shareholders:

Your Directors submit herewith reports and Balance Sheet, together with the Auditors' Statements, covering operations for year ending September 30th, 1955.

Attention was concentrated on the underground and diamond drilling exploration of the Meat Cove zinc deposits and the Rocky Brook copper-zinc showings.

Work on the Meat Cove zinc deposit has so far indicated approximately three million tons of low grade zinc ore and has confirmed the persistence of the zinc mineralization to substantial depth. At Rocky Brook the diamond drilling has already confirmed the occurrence of veins or zones of copper-zinc ore carrying small amounts of lead and silver over good mining widths. Your Directors believe these results, considered in the light of other indications, signify that these two areas of the closure have large potentials of base metal ore, particularly zinc ore, which will take many years to explore and develop.

With the prospect of large tonnage of base metal ore, consideration is being given to production possibilities. A 10-ton sample of zinc bearing material from Meat Cove adit has been tested by Aerofall Mills Limited, Ore Dressing Engineers, of Toronto. Much organizing work has been done and metallurgical studies have been made by a consulting metallurgical engineer concerning the possible erection and operation of a zinc smelter which would have capacity for treating concentrates from other Canadian mines. No commitments have been made, but we feel that in view of the amount of time and money spent on such planning, our shareholders should be officially informed.

An account of operations of your Company and its wholly owned subsidiary, Cape Breton Metals Limited, together with statements concerning Goldmaque Mines Limited and Baranouri Uranium Mines Limited, is given in the report of the general manager.

Your Company holds the following properties on which no work has been done during the past year:

- (a) The mineral rights of 105 acres described as east half of Lot four, Concession VI in Township of Marmora contiguous to the Marmoraton Mining Company, wholly owned subsidiary of Bethlehem Steel Company of Pennsylvania, U.S.A.
- (b) An option is held on nine unpatented mining claims in the Omineca Mining Division, British Columbia. Sufficient work and sampling have been done to indicate that the property is a very promising gold prospect, which warrants systematic exploration by diamond drilling.

Respectfully submitted on behalf of the Board of Directors.

NORMAN VINCENT,

President.



THE MINERAL EXPLORATION CORPORATION LIMITED

(No Personal Liability)

(Incorporated under the Quebec Mining Companies' Act)

Balance Sheet 30th September, 1955

ASSETS

CURRENT ASSETS

Cash on Hand and in Bank	\$ 316.11
Service and Other Deposits	425.00
Accounts Receivable	5,536.17 \$ 6,277.28

INVESTMENTS AND ADVANCES

Shares in Other Mining Companies, at cost	\$ 474,457.73
Advances to Cape Breton Metals Limited	367,880.33 842,338.06

PARTICIPATION IN PROSPECTING SYNDICATES, at cost

1,968.75

FIXED ASSETS

Office Furniture and Equipment, at cost	\$ 9,091.75
Leasehold Improvements, at cost less Amount Written off	3,046.22
Mining Claims and Properties,	
Acquired by the issue of 1,350,000 shares of the Capital Stock of the Company	
at par value	\$ 1,350,000.00
950 shares at a premium of \$1.00 per share	1,900.00
Acquired for cash	7,352.36 1,359,252.36
	1,371,390.33

DEFERRED ASSETS

Administrative and Development Costs	\$ 125,035.24
Expenditures on Outside Mining Properties,	15,649.60
Organization Expense	2,601.97 143,286.81

LIABILITIES

CURRENT LIABILITIES

Bank Overdraft	\$ 3,393.71
Accounts Payable and Accrued Charges	23,639.76
Director's Loan	3,334.13 \$ 30,367.60

CAPITAL

Capital Stock	
Authorized 10,000,000 shares of par value \$1.00 each	\$ 10,000,000.00
Issued and Fully Paid 3,162,864 shares	\$ 3,162,864.00
LESS: Discount thereon	540,300.00
	\$ 2,622,564.00
Capital Deficit	
Loss on Sale of Investments	\$ 284,820.37
Cost of Claims Abandoned	2,850.00 287,670.37
	2,334,893.63

NOTES: (1) Options outstanding on 1,000,000 unissued shares of the Capital Stock of the Company for a total consideration of \$1,020,000.00.

(2) Payments outstanding under option in respect to the purchase of Mining Claims not reflected in the above Balance Sheet amount to \$38,000.00.

\$ 2,365,261.23

Approved on behalf of the Board:
NORMAN VINCENT, Director.
W. R. DUNBAR, Director.

AUDITORS' STATEMENT

To the Shareholders,
The Mineral Exploration Corporation Limited,
TORONTO, Ontario.

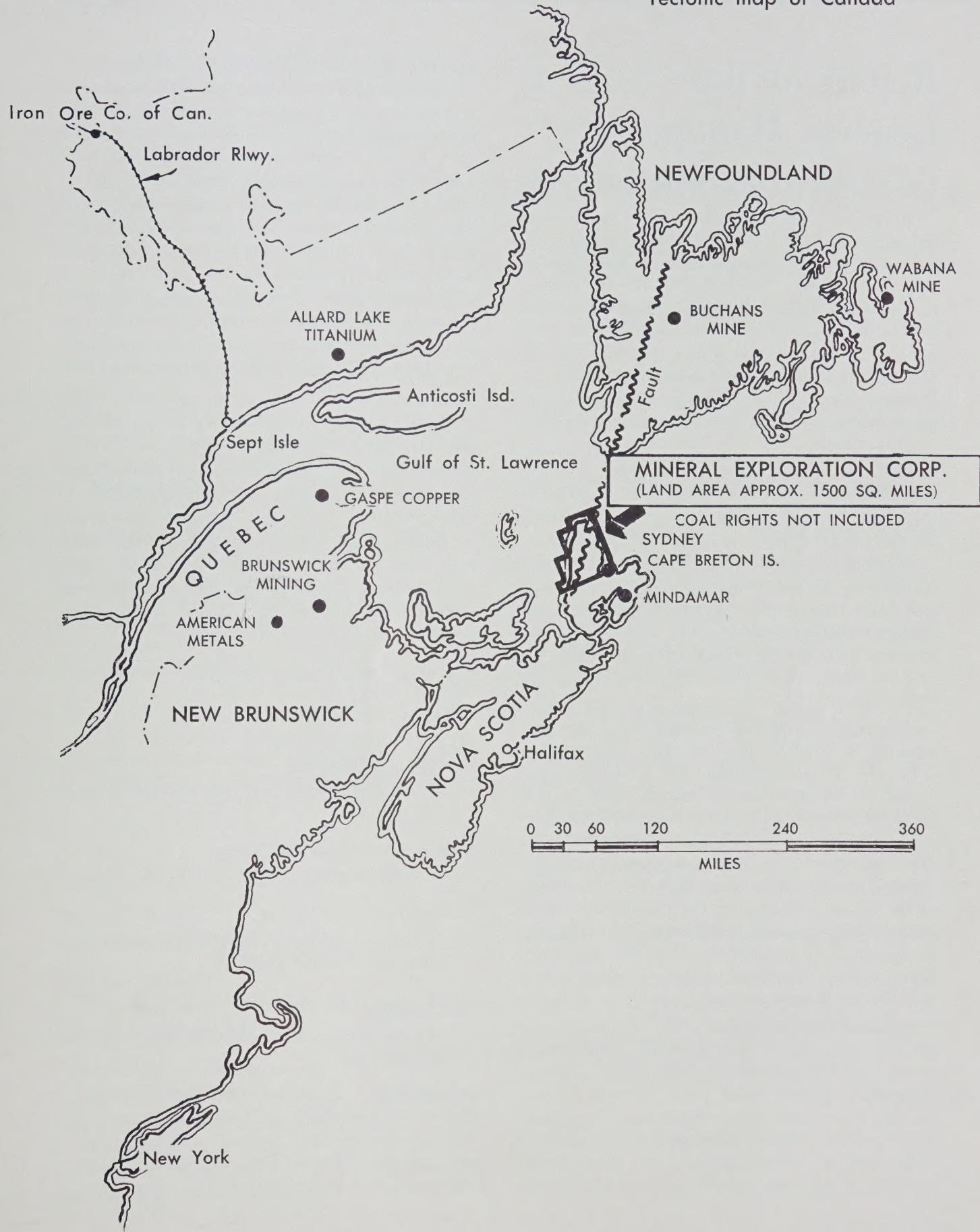
We have examined the Balance Sheet of THE MINERAL EXPLORATION CORPORATION LIMITED (No Personal Liability) as at 30th September, 1955. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

We have received all the information and explanations we have required and subject to the fact that we have not inspected the Company's title to Mining Properties, we report that in our opinion, the accompanying Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at 30th September, 1955, according to the best of our information, the explanations given to us and as shown by the books of the Company.

TORONTO, 9th December, 1955.

McDONALD, NICHOLSON & CO.,
Chartered Accountants.

Fault taken from
Tectonic map of Canada



Report of the General Manager

I CAPE BRETON CONCESSION OR CLOSURE

Prospecting and exploration work was continued throughout the year. Mr. Evan Harris, P.Eng., was appointed resident manager of these operations in July and McPhar Geophysics Company Limited continued as technical consultants. Donald J. Belcher & Associates Incorporated of Ithaca, New York, were engaged to make special studies in mineral search over approximately 85 square miles embracing the Cheticamp-Rocky Brook Copper-zinc Area, and over approximately 15 square miles surrounding the Meat Cove zinc mine.

(a) Results of Our Exploration and Prospecting Work are Summarized as Follows:

MEAT COVE MINE

Work has been directed towards gaining an idea of ultimate size and potential of the zinc deposit as quickly as possible rather than of "proving up" zinc-bearing ground already indicated. Consequently, the estimates submitted herewith are for "probable" ore, i.e., ore which will require more detailed or fill-in work to prove.

Accordingly, estimated probable ore in adit area amounts to 2,750,000 tons averaging approximately 2.5% zinc plus some cadmium and germanium. This occurs in one block, having average width of over 100'. Additional potential ore material has been indicated by outlying drill holes and surface work. Most important is the northwest showing on which no work has been done during the year. The average of the surface sampling and two diamond drill intersections in this showing is 6.5% zinc over 33' width; the length looks like 300 feet and one hole cut at depth of 300'. The presently indicated length of the zinc bearing structure is 4500'.

Systematic deeper exploration by vertical diamond drilling from surface, so far, has indicated persistence of the zinc structure and mineralization in depth and along the strike. It would appear also that the zinc-bearing skarn formation is folded into an anticlinal structure which pitches northeast and that the potential zinc orebodies or concentrations occur at favourable locations in this structure.

ROCKY BROOK COPPER-ZINC AREA

Prospect diamond drilling and surface sampling had traced a zone of copper-zinc mineralization with minor amounts of lead and silver over a length of 160', having a width of 11.7' and grading 1.2% copper and 1.3% zinc at September 30th last. At present time this has been extended to 260' in length with indicated grade of 1.1% copper and 1.4% zinc over a 12.5' average width, having steep dips and widths up to 23'.

These are tentative summaries pending additional drilling and completion of a transit survey and should only be considered as indications of the potentiality of a fairly large area — possibly many square miles.

Soil sampling has indicated an area 1800' x 400' which shows positive indications of copper, lead and zinc at location "B" shown on the "closure" map. Mineralization carrying over 2% combined copper, lead and zinc in place has been exposed on strike of this anomaly.

Belcher & Associates, Inc., through their study, have found twenty-five "potential mineralized" zones in the Cheticamp-Rocky Brook Area which they consider to be likely places to find base metals. These are shown on the map of the "closure".

(b) Work Done During The Year

MEAT COVE MINE

Adit

561' of adit driving

229' of cross cutting plus rock work for diamond drill stations

Underground Diamond Drilling

24 holes — 4285'

Surface Diamond Drilling

11 holes — 2975' ("A" size coring equipment is being used for this work)

Soil Sampling

540 soil samples were taken in Meat Cove area and analysed

Metallurgical

One car out of each twenty cars of the muck, without any selection, was taken from the last 120' of the adit and the 229' of crosscut for grinding and flotation tests. This sample, amounting to 18 tons,

was shipped to Aerofall Mills Limited at Toronto. From these tests, estimates have been made as to grade of ore, mill recovery, grade and composition of concentrates, as well as operating and capital costs of concentrating the ore.

The grade of this material determined by mill tests and the sampling of material not used in the tests is estimated to be 1.8% zinc. By correcting for the footage of waste which was included in the sample, an average grade of approximately 2.5% zinc is indicated for the material from the zinc zones. The tests indicate that a zinc recovery of 85% or higher in a commercial grade zinc concentrate can be expected from this grade of material at low cost.

Buildings and Equipment

We have constructed or purchased the following small temporary movable structures:

Office Building

Sleep Camp

Cookery

Store House

Two Core Houses

Diesel-Generator Building

General Mine Building

Powder House

Equipment Purchased:

One — 215 cu. ft. Gardner Denver Portable Diesel Compressor

One Diesel-Electric Generator (25 K.V.A.)

Two Gardner Denver Jack Leg Drills

Mine Cars; Track and Accessories

Surveying Equipment

One 3 Ton Truck

ROCKY BROOK COPPER-ZINC AREA

Diamond Drilling

17 Holes — 3059'

Soil Sampling

584 soil samples from Rocky Brook and Middle River area were analysed.

Special Study in Mineral Search

Belcher & Associates, Inc., made a photo-analysis and geologic interpretation (which included a field examination) of approximately 85 square miles. The purpose of this study is to ascertain other locations where base metal mineralization is likely to occur,

i.e., the most promising places to look for base metal ore bodies.

Buildings and Construction

A number of temporary buildings have been constructed and five miles of road has been prepared by bulldozer to provide access from a highway to the locus of our present operations.

OTHER AREAS

Some prospecting, principally by soil sampling, was done on several outlying areas not included in Meat Cove Mine or Rocky Brook Area without significant results.

(c) Future Operations

Two diamond drills are continuing the systematic exploration of the Meat Cove Mines structure at depth and on strike with the object of outlining a large zinc ore potential. A large footage of diamond drilling will be required to test all ore chances and extensions.

In the Rocky Brook Area, one diamond drill is presently employed in tracing the Rocky Brook copper-zinc zones. This work will be continued and the second drill will be started as soon as camp accommodation is ready and will start exploring the large soil anomaly. Additional drills will be employed as warranted.

The areas recommended by Belcher & Associates, Inc., will be systematically prospected and explored.

Prospecting by soil sampling is to be continued in selected areas.

Other base metal ore possibilities which warrant our further attention are described as follows:

Massive sulphide material from workings of an old gold mine beside Gold Brook carries copper, nickel and gold: 2.7% cu., .75% ni., .03 oz. au. At Middle River, approximately five miles north of this gold mine, lead-zinc mineralization amounting to 1.75% combined has been found in place. Four miles northwest of this occurrence, copper-zinc mineralization over about 30' width has been located near Egypt Brook. Rocky Brook, where we are at present working, lies ten miles further north and the showings of lead, zinc and copper in the vicinity of Cheticamp River lie about 5-6 miles north of Rocky Brook. No work has been done on these showings except at Rocky Brook and rock exposure in the area is less than 5%. Hence we believe this line of discoveries

signifies that there is an overall area of twenty-five miles by possibly ten miles favourable for the occurrence of base metal orebodies.

(d) Map Reference

A plan of the zinc zones and a vertical section through the adit zone of Meat Cove Mine are included to give a comprehensive idea of structure and size; and a map of the entire closure is included to show the geographical positions of the locations where we are at present working.

(e) Acknowledgment

I wish to acknowledge the assistance of Evan Harris, P.Eng., resident manager of Cape Breton Operations, and J. P. Nowlan, Ph.D., chief geologist of McPhar Geophysics Company our consultants, and the other supervisors and geologists who have contributed to the progress made toward our objectives.

II GENERAL

BARANOURI URANIUM MINES LIMITED

This Company did 2911' of cross-sectioning diamond drilling on claims held adjoining New Thurobois

Mines Limited in Hyman Township, Ontario, in a search for uranium bearing formations. No significant radioactivity was found by this work.

An airborne E.M. survey was made over the 26 claims taken under option in Tashota Area by Baranouri. After an examination and report by Dr. W. L. C. Greer, consulting geologist, the Company dropped its option.

GOLDMAQUE MINES LIMITED

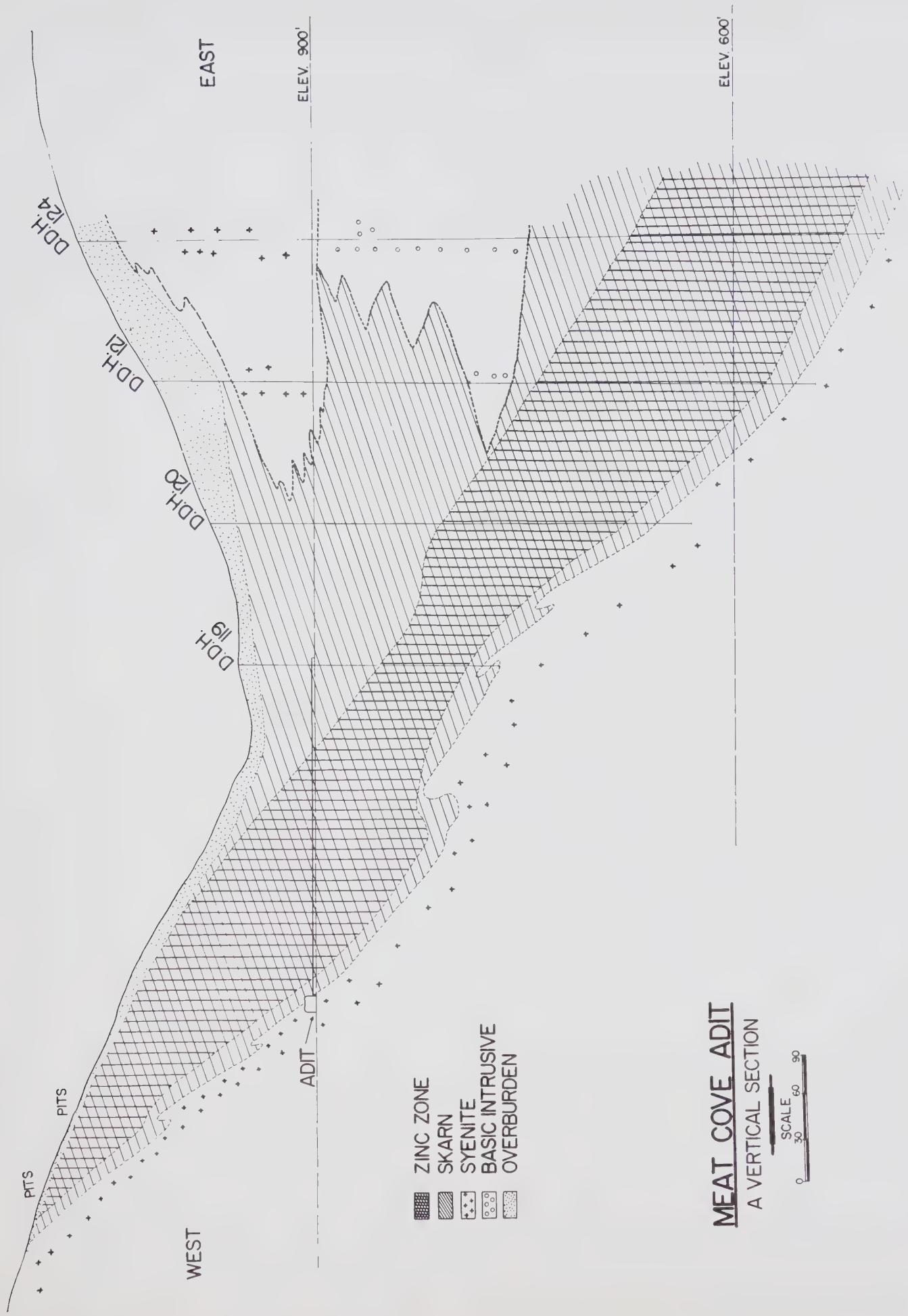
No work was done on the properties held by this Company during the year.

Examinations were made of uranium mine and a fluorspar property in Colorado, U.S.A.

Respectfully submitted,

W. R. DUNBAR, P.Eng.,
General Manager.

December 16, 1955.

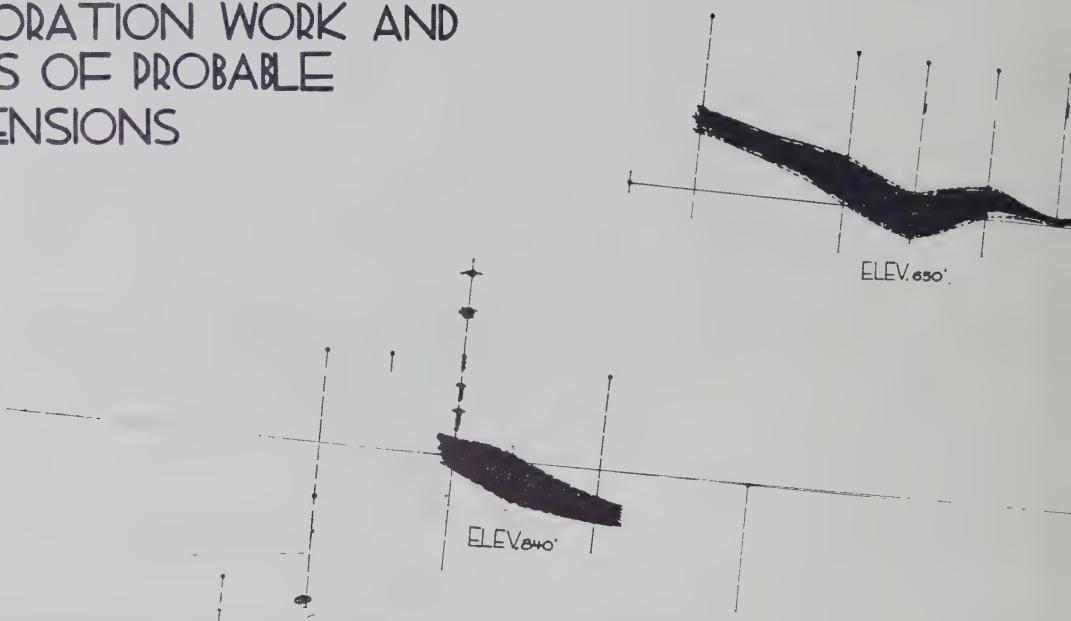


MEAT COVE

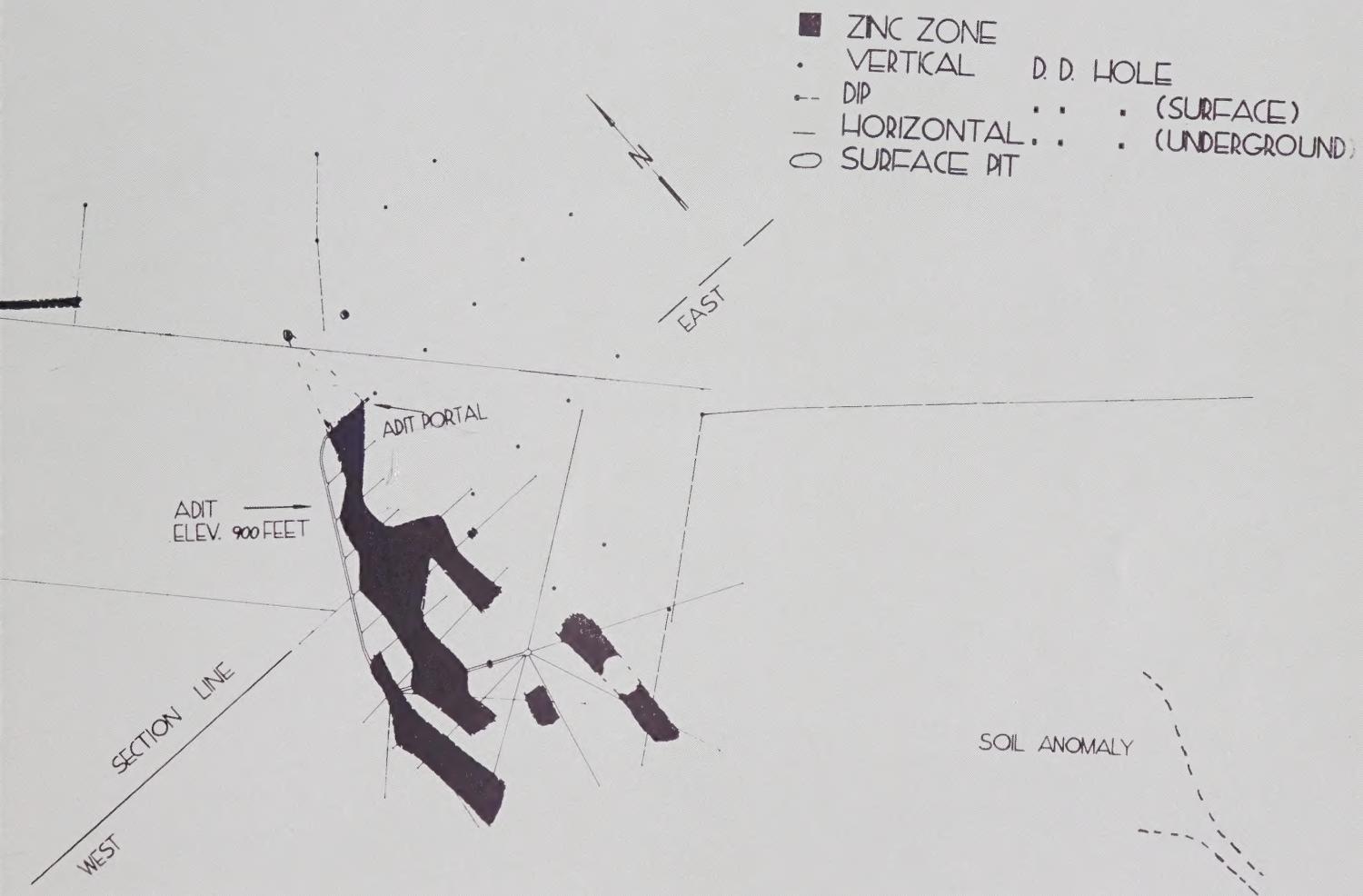
PLAN SHOWING ZINC ZONES
CONFIRMED BY BELOW GROUND
EXPLORATION WORK AND
AREAS OF PROBABLE
EXTENSIONS

SCALE: 

SOIL ANOMALY



MINE



MINERAL EXPLORATION CORPORATION LIMITED

Annual Report 1955

A - Location of dia. drilling - Rocky Brook

B = Soil anomaly - Rocky Brook

Cu = Copper

Zn = Zinc

Pb - Lead

 Favourable areas after Belcher & Associates

~~~ ~~~ Fault

20 + Dip and strike bedding

← → Dip and strike shear and break

— —  $\frac{1}{4}$  Synelinal axis

± - - Anticlinal axis

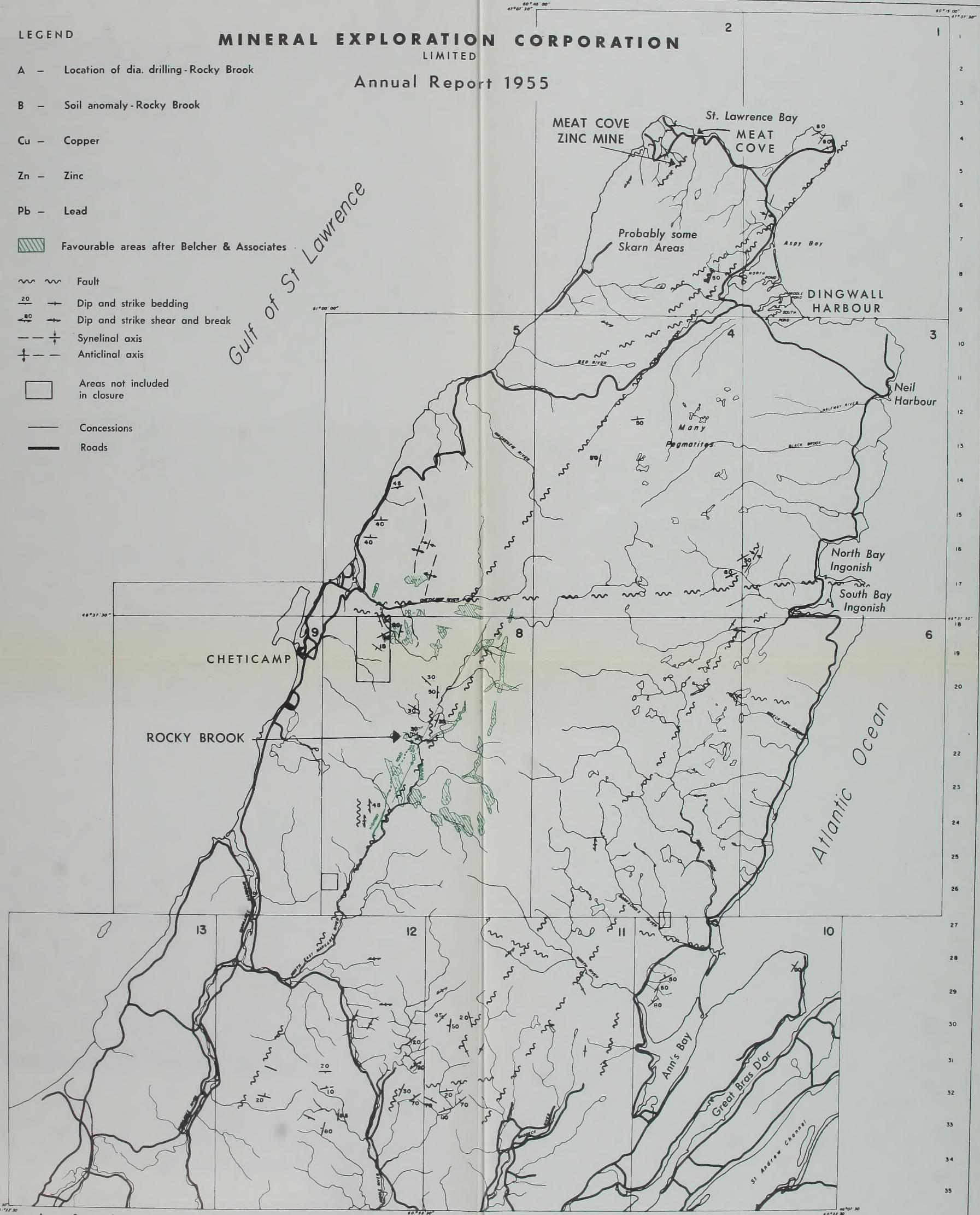
Areas not included  
in closure

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### Concessions

— Roads

Gulf of St Lawrence  
& Associates



GENERAL MAP  
CLOSURE 1 - CAPE BRETON

SCALE

